

House File 140

HOUSE FILE _____
BY BAUDLER

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the awarding of bonuses to appointed state
2 officers and state employees, employees of entities created
3 for the joint exercise of governmental powers, and employees
4 of entities receiving government funds pursuant to a service
5 contract with the state, and providing an effective date.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
7 TLSB 1019YH 82
8 ec/gg/14

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1 1 Section 1. Section 7J.1, subsection 2, paragraph c, Code
1 2 2007, is amended to read as follows:
1 3 c. Notwithstanding any provision of law to the contrary,
1 4 the governor may set the salary of a director of a charter
1 5 agency under the pay plan for exempt positions in the
1 6 executive branch of government. ~~In addition~~ However, the
1 7 governor ~~may shall not~~ authorize the payment of ~~a bonus pay,~~
1 8 ~~as defined in section 70A.1, to a director of a charter agency~~
1 9 ~~in an amount not in excess of fifty percent of the director's~~
1 10 ~~annual rate of pay, based upon the governor's evaluation of~~
1 11 ~~the director's performance in relation to the goals set forth~~
1 12 ~~in the annual performance agreement.~~
1 13 Sec. 2. Section 7J.1, subsection 2, paragraph d, Code
1 14 2007, is amended by striking the paragraph.
1 15 Sec. 3. Section 8F.3, subsection 1, Code 2007, is amended
1 16 by adding the following new paragraph:
1 17 NEW PARAGRAPH. e. Information that the recipient entity's
1 18 policies prohibit the use of any of the moneys received
1 19 pursuant to a service contract to provide bonus pay, as
1 20 defined in section 70A.1, to officers or employees of the
1 21 recipient entity.
1 22 Sec. 4. Section 28E.5, Code 2007, is amended by adding the
1 23 following new subsection:
1 24 NEW SUBSECTION. 5A. The requirement that employees of the
1 25 joint or cooperative undertaking not receive bonus pay, as
1 26 defined in section 70A.1.
1 27 Sec. 5. Section 70A.1, subsection 1, Code 2007, is amended
1 28 to read as follows:
1 29 1. a. Salaries specifically provided for in an
1 30 appropriation Act of the general assembly shall be in lieu of
1 31 existing statutory salaries, for the positions provided for in
1 32 the Act, and all salaries, including longevity where
1 33 applicable by express provision in the Code, shall be paid
1 34 according to the provisions of chapter 91A and shall be in
1 35 full compensation of all services, including any service on
2 1 committees, boards, commissions or similar duty for Iowa
2 2 government, except for members of the general assembly. A
2 3 state employee on an annual salary shall not be paid for a pay
2 4 period an amount which exceeds the employee's annual salary
2 5 transposed into a rate applicable to the pay period by
2 6 dividing the annual salary by the number of pay periods in the
2 7 fiscal year. Salaries for state employees covered by the
2 8 overtime payment provisions of the federal Fair Labor
2 9 Standards Act shall be established on an hourly basis. In
2 10 addition, unless otherwise authorized by law or required
2 11 pursuant to a collective bargaining agreement, a state
2 12 employee shall not receive bonus pay for or during the time
2 13 period beginning on or after the effective date of this Act.
2 14 b. For purposes of this section, "bonus pay" means any
2 15 additional remuneration provided an employee in the form of a
2 16 bonus, including but not limited to a retention bonus,
2 17 recruitment bonus, exceptional job performance pay,

~~2 18 extraordinary job performance pay, exceptional performance~~
~~2 19 pay, extraordinary duty pay, or extraordinary or special duty~~
~~2 20 pay, and any extra benefit not otherwise provided to other~~
~~2 21 similarly situated employees.~~

2 22 Sec. 6. Section 99G.10, subsection 5, Code 2007, is
2 23 amended to read as follows:

2 24 5. The authority may establish incentive programs for
2 25 authority employees. However, the incentive programs shall
~~2 26 not provide for bonus pay, as defined in section 70A.1, for~~
~~2 27 authority employees.~~

2 28 Sec. 7. 2006 Iowa Acts, chapter 1185, section 12,
2 29 unnumbered paragraph 3, is amended to read as follows:
2 30 A person whose salary is established pursuant to the
2 31 section of this division of this Act that addresses the salary
2 32 ranges of state officers and who is a full-time, year-round
2 33 employee of the state shall not receive any other remuneration
2 34 from the state or from any other source for the performance of
2 35 that person's duties ~~unless the additional remuneration is~~
~~3 1 first approved by the governor or authorized by law.~~ However,
3 2 this provision does not exclude the reimbursement for
3 3 necessary travel and expenses incurred in the performance of
3 4 duties or fringe benefits normally provided to employees of
3 5 the state.

3 6 Sec. 8. EFFECTIVE DATE. This Act, being deemed of
3 7 immediate importance, takes effect upon enactment.

3 8 EXPLANATION

3 9 This bill prohibits the granting of bonuses to state
3 10 employees and employees of entities under Code chapter 28E,
3 11 and the use of government moneys to provide bonuses to
3 12 employees of an entity that enters into a service contract
3 13 with the state.

3 14 Code section 7J.1, concerning charter agencies, is amended
3 15 to prohibit the payment of bonuses to a director of a charter
3 16 agency or to employees of a charter agency.

3 17 Code section 8F.3, concerning contractual requirements for
3 18 entities entering into a service contract with a state agency,
3 19 is amended to provide that the entity entering into the
3 20 contract shall have policies in place prohibiting the use of
3 21 any of the moneys received pursuant to the service contract to
3 22 provide bonuses to officers or employees of the entity.

3 23 Code section 28E.5, concerning agreements entered into for
3 24 purposes of a joint or cooperative undertaking, is amended to
3 25 provide that the agreement not permit payment of bonuses to
3 26 employees of the joint or cooperative undertaking.

3 27 Code section 70A.1, concerning salaries and benefits of
3 28 state employees, is amended to provide that no bonuses shall
3 29 be paid to state employees unless otherwise authorized by law
3 30 or a collective bargaining agreement. The amendment to the
3 31 Code section also defines bonus pay as any additional
3 32 remuneration or extra benefits provided to an employee.

3 33 Code section 99G.10, concerning the lottery authority, is
3 34 amended to provide that employees of the authority not receive
3 35 bonus pay.

4 1 2006 Iowa Acts, chapter 1185, concerning the pay of
4 2 appointed state officers, is amended to eliminate the ability
4 3 of the officer to receive additional remuneration if approved
4 4 by the governor or otherwise authorized by law.

4 5 The bill takes effect upon enactment.

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